

Message Text

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C O N F I D E N T I A L STATE 117385

FOR HOLBROOKE FROM GLEYSTEN

E.O. 11652: GDS

TAGS: OVIP (FUKUDA, TAKEO), JA, US

SUBJECT: FUKUDA VISIT: AN ASSESSMENT

1. PRIME MINISTER FUKUDA'S MAY 2-3 VISIT TO WASHINGTON, A MISSION OF REAFFIRMATION AND REASSURANCE, ACHIEVED ITS PURPOSES FOR BOTH SIDES. THE PRESIDENT REAFFIRMED THE IMPORTANCE OF JAPAN AS THE FOUNDATION OF OUR ASIAN POLICY AND REASSURED FUKUDA OF OUR DETERMINATION TO MAINTAIN AN ACTIVE POLITICAL, ECONOMIC, AND MILITARY ROLE IN THE REGION. THE
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PRIME MINISTER REAFFIRMED TO THE PRESIDENT, THE LEADERS OF CONGRESS, AND BUSINESS AUDIENCES HIS RESOLVE TO REDUCE JAPAN'S CURRENT ACCOUNT SURPLUS AND REASSURED THEM OF JAPAN'S WILLINGNESS TO COOPERATE WITH THE US IN THE SEARCH FOR SOLUTIONS TO GLOBAL AND REGIONAL PROBLEMS.

2. LITTLE NEW SUBSTANTIVE GROUND WAS BROKEN, BUT WHAT THERE

WAS HELPED THE RELATIONSHIP AND JAPAN'S IMAGE. THE JAPANESE DECISION TO ADMIT SOME INDOCHINESE REFUGEES FOR PERMANENT RESIDENCE AND TO DONATE AN ADDITIONAL TEN MILLION DOLLARS TO THE UN HIGH COMMISSIONER FOR REFUGEES WILL UNDERCUT CRITICISM ON CAPITOL HILL AND MAY HELP REMOVE OPPOSITION TO APPROPRIATIONS THE JAPANESE CARE ABOUT, I.E., UN UNIVERSITY. FUKUDA'S FOCUS ON SCIENTIFIC COOPERATION SHOULD GIVE A FURTHER BOOST TO THIS BUSY AREA OF THE RELATIONSHIP.

THE AGREEMENT TO ESTABLISH THE SAME DAILY CONSULTATIONS ON EXCHANGE MARKET CONDITIONS THAT WE HAVE WITH THE GERMANS WILL INCLUDE THE JAPANESE MORE FULLY IN THE DAY-TO-DAY OPERATION OF THE INTERNATIONAL MONETARY SYSTEM. IT ALSO WILL REMOVE A SOURCE OF JAPANESE SUSPICION THAT WE DISCRIMINATE AGAINST THEM IN FAVOR OF THE EUROPEANS.

3. THE MEETINGS ADDED SOME MOMENTUM TO ESTABLISHED EFFORTS TO SOLVE THE LARGE INTRACTABLE ISSUES BETWEEN US. THE STRAUSS-USHIBA JOINT STATEMENT ENCOURAGED MODERATES ON CAPITOL HILL TO BE PATIENT WHILE JAPAN WORKED TO TURN ITS ECONOMY AROUND. FUKUDA'S RELAXED, RESPONSIVE, AND CANDID PRESENTATIONS TO LEADERS OF BOTH HOUSES, PARTICULARLY HIS ASSURANCES THAT HE WOULD CONSIDER ADDITIONAL MEASURES IF THE 7 PERCENT GROWTH TARGET LOOKED TO FALL SHORT, MAY HAVE BOUGHT SOME MORE TIME. ALTHOUGH THE JAPANESE MADE NO NEW OFFERS ON THE MTN DURING FUKUDA'S VISIT, THEY RENEWED THEIR CONFIDENTIAL

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COMMITMENT TO THE SUCCESS OF THE NEGOTIATIONS. MUCH TOUGH BARGAINING REMAINS IF THE TOKYO ROUND IS TO DESERVE ITS NAME, BUT THE JAPANESE WILLINGNESS (EXPRESSED IN SIDE TALKS) TO CONSULT ON THE CONTENT OF THEIR OFFER BEFORE IT IS SET IS ENCOURAGING.

4. WHILE THE FOCUS OF THE ECONOMIC ISSUES WAS PREDOMINANTLY GLOBAL, THERE WAS PROGRESS ON SOME BILATERAL PROBLEMS. THE TWO SIDES AGREED ON THE DEFINITION OF HIGH QUALITY BEEF AND MEASURES TO FACILITATE IMPORTS OF AN ADDITIONAL 10,000 TONS. COMMERCE SECRETARY KREPS' EXPRESSION OF CONCERN TO THE PRIME MINISTER OVER THE RESULTS TO DATE OF THE TRADE FACILITATION COMMITTEE LAID THE GROUNDWORK FOR FURTHER ACTION AT THE WORKING LEVEL.

5. IN DISCUSSION WITH THE PRESIDENT AND THE SECRETARY ON ASIAN ISSUES THAT PROVED FAMILIAR FOR THE MOST PART, THE JAPANESE WILLINGNESS TO TAKE A LEADERSHIP ROLE IN COOPERATION WITH OTHER COUNTRIES TO UNDERWRITE PROSPERITY AND STABILITY IN THE AREA WAS MORE PRONOUNCED THAN BEFORE. WE WERE ENCOURAGED BY FUKUDA'S ASSESSMENT THAT ASIAN CONCERN OVER US INTENTIONS TO REMAIN ACTIVELY ENGAGED IN THE REGION

HAD ABATED MARKEDLY SINCE HIS LAST VISIT IN MARCH 1977, AND THAT THE MONDALE AND BRZEZINSKI VISITS WOULD FURTHER RE-ASSURE HIS NEIGHBORS. FUKUDA ALSO MADE IT CLEAR THAT JAPAN REGARDED THE PRESIDENT'S ADJUSTMENT OF TROOP WITHDRAWALS FROM THE ROK AS REALISTIC AND HELPFUL. ON CHINA, BOTH THE PRESIDENT AND THE PRIME MINISTER AGREED THAT GOOD SINO-JAPANESE RELATIONS WERE BENEFICIAL TO THE US AS WELL AS TO JAPAN.

6. FUKUDA'S EASYGOING STYLE HELPED MAKE THE VISIT WORK. AMERICAN OFFICIALS, SENATORS, CONGRESSMEN AND BUSINESS MEN HAVE NOT BEEN LED TO EXPECT RELAXED JAPANESE PRIME MINISTERS WITH SENSES OF HUMOR, AND THEY OBVIOUSLY LIKED WHAT THEY SAW. WITH A SMILE, FUKUDA TOLD THE 1300 NEW CONFIDENTIAL

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YORKERS WHO LUNCHEDED WITH HIM MAY 4 THAT THE GATHERING RESEMBLED A POLITICAL FUNDRAISER MORE THAN A FOREIGN POLICY LUNCH, BUT WHAT WITH JAPAN'S TRADE SURPLUS HE DID NOT NEED ANY FUNDS, THANKS VERY MUCH. THE AUDIENCE LAUGHED HARD.

7. PRESS COVERAGE IN THE US HAS BEEN BALANCED AND LOW KEY, LIMITED FOR THE MOST PART TO LEAD STORIES IN THE FINANCIAL PAGES. LEAD EDITORIAL IN THE WASHINGTON POST MAY 8 CALLED VISIT "A SUCCESS, IN THE SENSE THAT RELATIONS BETWEEN THE TWO COUNTRIES AT LEAST NOT GETTING WORSE", THEN WENT ON TO DISCUSS NEED FOR EXPORT RESTRAINT ON JAPAN'S PART. VANCE

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